

of this bill precludes Budget Act points of order being raised against any amendment offered. Those points of order could be raised at the time of the votes on Monday night. I ask the Presiding Officer, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ROTH. Mr. President, we will start with opening statements by myself and the Democratic manager. Subsequent to that, we will open it up to amendments.

Mr. President, a little more than 3 months ago, I stood in this chamber to introduce the Marriage Tax Relief Act of 2000. At that time, I described that bill "as the centerpiece of our efforts to reduce the tax overpayment by America's families." That is as it should be because families are the centerpiece of American society.

Three months ago, I urged my colleagues to support the Marriage Tax Relief Act because it "delivered savings to virtually every married couple in America—and it did so within the context of fiscal discipline and preserving the Social Security surplus." And that too, is as it should be, because if we act irresponsibly we are not giving relief to America's families, but grief to America's children.

In the three months since I last spoke on this topic, we have discovered that American families' tax overpayment is even larger and our relief even more appropriate than we had imagined then.

Despite the enormous benefits that the Marriage Tax Relief Act of 2000 would have brought to American families, we could never get the other side to agree to a procedure that would limit debate to relevant amendments. The Majority Leader's offer to limit debate to marriage tax issues was rejected and cloture votes failed. The Senate moved on to other business.

But even as the Senate took up other important issues, we remained committed to delivering tax relief to America's families. We knew that the American people would not be satisfied with us shrugging our shoulders and saying that we tried. We knew that the American people would not be satisfied with us telling them that they'll have to wait for comprehensive marriage tax relief because the other side blocked our first attempt.

And so we are back today. We have returned with "The Marriage Tax Relief Reconciliation Act of 2000." Substantively, this bill is the same as the one that we sought to pass a few months ago. But there is one crucial difference between now and then. Today, we are proceeding under the Budget Act's reconciliation procedure. And that means that no one is going to delay us from passing this bill. We will have an up or down vote. We will see who supports the marriage tax relief in our bill. And we will see who thinks that American families are not entitled to this relief.

Before I describe the specifics of our bill, I want to talk about how we got

here. Our tax system has chosen to use the family as the unit for taxation. Unlike some other countries—where all individuals are taxed separately—here in the United States, we look to the household. In doing so, our tax system has tried to balance three disparate goals—progressivity, equal treatment of married couples, and marriage neutrality. And, I will remind my colleagues, it is impossible to achieve all three principles at the same time.

The principle of progressivity holds that taxpayers with higher incomes should pay a higher percentage of their income in taxes. The principle of equal treatment holds that two married couples with the same amount of income should pay the same level of tax. And the principle of marriage neutrality holds that a couple's income tax bill should not depend on their marital status. The tax code should neither provide an incentive nor a disincentive for two people to get married.

Our policy response differs depending on how we balance these different principles. For instance, if we want to ensure that when two singles get married their total tax bill will not rise—but we do not mind if two married couples with the same overall income level are treated differently, then we arrive at one result. However, if we want to make sure that two singles who marry do not face increased taxes—and we want to make sure that two married couples with the same income level are treated evenly—then we arrive at a different result.

Last year, the Senate position in the Taxpayer Relief Act of 1999 only embraced the first policy result. We focused on what people refer to as the marriage tax penalty—in other words, the difference between what two spouses would pay in taxes if they were single versus what they would pay in taxes if they were married. In developing the specific provision, we took aim only at one particular definition of a marriage tax relief penalty. We developed a system whereby a married couple would have an option. The couple could continue to file a joint return using the existing schedule of married filing jointly. Or the couple could choose to file a joint return using the separate schedules for single taxpayers. It was straightforward, and it was universal—we did not try to impose arbitrary income limits to cut off the relief.

As I said last year, the separate filing option had a lot of good things about it. Most importantly, I liked the way that the plan basically eliminated the marriage penalty for all taxpayers who suffered from it.

It delivered relief to those in the lowest brackets as well as to those in the highest brackets.

However we should also remember that last year's approach was part of a larger package of tax relief. We should all remember this point: America's families were going to receive relief from other provisions in that bill. Last

year's marriage penalty provision was part of a comprehensive tax bill directed towards American families. Other pieces of the bill—the cuts in the 15 percent rate bracket, the expansion of the child care credit—provided additional benefits to American families. So, the separate filing option should not be viewed in a vacuum; instead, it must be seen as part of a comprehensive tax relief package. In any event, as we all know, none of the pieces of last year's tax cut package—neither the marriage penalty relief nor anything else—made it into law. Because President Clinton vetoed that bill, America's families have been denied the tax relief that they deserve.

This year I felt that we should take a different approach to marriage tax relief. As the Chairman of the Finance Committee, I am responsible for developing tax policy in a fair and rational manner. I am also responsible for working with members of my committee and of the full Senate.

After listening to my colleagues' views on marriage tax relief, I came to the conclusion that the best approach this time is to build on the foundation that Congress has already approved. Last year, in the conference report of the Taxpayer Relief Act of 1999, Congress adopted three components of marriage penalty relief. These included an expansion of the standard deduction for married couples filing jointly; a widening of the tax brackets; and an increase in the income phase-outs for the earned income credit. A different part of that bill addressed the minimum tax issue. Earlier this year, the House passed a marriage penalty tax bill that included the first three components.

And so the Finance Committee bill, the Marriage Tax Relief Reconciliation Act of 2000, uses these same building blocks. This is important—not just for purposes of building and maintaining consensus—but for policy reasons as well.

You see, if we target relief only at the families that suffer a marriage penalty, we begin to violate another of the three principles that I described earlier. Since 1948, our tax system has adhered to the principle of treating all married couples with the same amount of income equally. In other words, each household that earns \$80,000—regardless of the breakdown of that income—would pay the same amount of tax. It does not matter whether one spouse earns all \$80,000 while the other spouse works at home taking care of the children; and it does not matter whether both spouses work outside the home and earn \$40,000 each. Each household with the same amount of income is treated the same for tax purposes.

As we studied how best to solve the marriage penalty—to ensure that the tax code does not provide a disincentive to get married—we realized that it was extremely important to stick to this principle of equal treatment. In solving one penalty, we don't want to